

Committee Reports

I believe there is a place for this kind of legislation. It was before the House in June of 1984, and the Minister promised it in July of 1985.

● (1250)

Mr. Hovdebo: I do not want to be argumentative, but I guess this is the place to be argumentative. In committee the need for financial institutions to take some risk in the operation was brought to our attention very forcibly on several occasions. The bankruptcy procedures and the attempts to solve the problem do not stop the clock. Does the Member not think that a debt set aside program which does not necessarily reduce the principle but deals effectively with the accumulating interest should not at least be the very minimum risk that a financial institution should take when making loans?

Mr. Foster: I think the Hon. Member makes a very good argument. In the pre-foreclosure arbitration procedure which I have been recommending, about 90 per cent of the arrangement would be a voluntary agreement between the farmer or fisherman and the creditor. It would simply be filed with the clerk of the court. If I understand the Hon. Member's question, if such a thing actually went to arbitration by a judge, it might well be proven that it would be unwise to ever write off any principal. The principal would be maintained but the interest would stop accumulating for a certain period of time. The value of such a procedure would be to have a voluntary agreement between the creditor and the individual facing foreclosure. Obviously, if you go through the foreclosure or bankruptcy procedure there will be massive losses.

Farm property values have dropped dramatically by 25, 30, or even 50 per cent. Obviously, if the property is sold through a bankruptcy procedure there will be big losses. The Royal Bank claims that its losses are in the order of \$45 million this year. Should those losses be to the benefit of the farmer taking over, or should they accrue to the benefit of the person who has been farming the land for the last eight, 10, or 12 years and working his heart out to make it succeed?

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, we on this side of the House are delighted that the Hon. Member for Algoma (Mr. Foster) brought this motion forward because it will permit us, throughout the course of the day, to show the House and Canadians who might be watching how farmers and businessmen in the country are in very deep trouble indeed. They are in deep trouble because of what the Liberal-NDP coalition did to them from 1972 until the present. I will set that forth when we resume at two o'clock.

Other speakers from our Party will rise and show how concrete and positive action by the Minister of Finance (Mr. Wilson), the Minister of Agriculture (Mr. Wise) and the Government is getting farmers turned around. Prospects are more optimistic today than they were a year ago and they will be a lot more optimistic in another six months.

Members in the House appreciate fully why the Hon. Member is rising on a concurrence motion today. However, members of the public may not. I want to point out to them

that this motion was filed on April 1, 1985. Therefore, the Member's sudden-found interest on December 13, 1985, is not due to any genuine, real concern for the farmers of the nation, because this motion has been sitting on the Order Paper for eight and a half months.

Mr. Gauthier: We were waiting for you to act on it.

Mr. Thacker: The Government has moved on all sorts of issues. The only reason this motion is raised today is to allow the Opposition to waste another day. It is ironic that opposition Members would want to waste time on a piece of legislation that will give every individual in the land, whether or not they are farmers, a \$500,000 capital gains tax relief. By virtue of their birth in this nation, everyone now has the right to build up a \$500,000 pool of capital that the nation cannot touch. They can then be truly free from the ravages of Government. They can tell the Government to get out of their lives, that they have made their own pension plans and that they do not need the Government.

The Opposition does not like that, Mr. Speaker. There is no doubt in my mind that the Liberal and NDP philosophy is to make everyone come to the Government for grants. They want everyone to be beholden to the Government, because that is control. The Conservative philosophy is to make everyone independent so that they can tell the Government to get out of their lives.

We know that the Opposition is not happy with the fact that the unemployment rate has dropped dramatically in the country and that interest rates have dropped. That has done more for farmers than any other action a Government could ever take. Interest rates would not be down if the Liberal Party were still in power. The National Energy Program would still be in place in this nation if the Liberal Party were still in government. Over the course of the afternoon we will be able to show how things are improving.

It is not only farmers who are in trouble, Mr. Speaker, but our senior citizens and our young people who want to build a future. How can you build a future when 30 cents of every tax dollar received by the Government goes to people who have enough money so that they can lend it to the Government in an absolutely guaranteed investment? If you had a million dollars, Mr. Speaker, why would you put it in a business when you could lend it to the Government and get an absolute guarantee of return with no risk or exposure at all? That is the problem.

We will show that for 15 years the Liberal Government turned on the printing press to make all sorts of lovely programs. With the low tax rate, people had a cash flow. They took that cash and paid too much for land and too much for businesses. Just as has always been the case throughout history, when a Government turns on the printing press it leads to inflation, which leads to high interest rates, which leads to an adjustment—

Mr. Deputy Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.